

Civilian Personnel

A Civilian Personnel Office and Equal Employment Opportunity Office Guide to the Commercial Activities Program

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A Civilian Personnel Office and Equal Employment Opportunity Office Guide to the
Commercial Activities Program

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Glossary

CURRENT NATIONAL POLICY (OMB CIRCULAR A-76)



**THE POLICY OF THE GOVERNMENT IS TO RELY ON
THE PRIVATE ENTERPRISE SYSTEM FOR THE PRODUCTS
AND SERVICES IT NEEDS TO THE MAXIMUM EXTENT
CONSISTENT WITH EFFECTIVE AND EFFICIENT
ACCOMPLISHMENT OF DEPARTMENT AND AGENCY
PROGRAMS.**

Figure I. Current National Policy (OMB Circular A-76)

Section I Introduction

The above policy statement lays the foundation upon which the Commercial Activities (CA) Program is established. It is not a new concept; its essence was expressed in a Bureau of the Budget Bulletin in 1955. Since 1979, however, the Office of Management and Budget (OMB) has been actively pursuing a program which requires all agencies to identify, inventory, and review all commercial type activities which are being performed to determine the most appropriate method of continued performance. The principles and procedures that must be followed in arriving at that determination are contained in OMB Circular A-76 (Revised) "Performance of Commercial Activities."

The Army regulatory guidance that implements OMB, as well as Department of Defense (DOD), policy and procedures is published in AR 5-20 (Commercial Activities Program). Anyone using this pamphlet should become familiar with the AR (especially chapter 3 which outlines many of the Civilian Personnel Office (CPO) responsibilities in the CA program). The review process and the implementation of decisions that result from the process require a coordinated effort from a variety of staff functions. While ongoing, the study process can represent a considerable investment of available resources.

The purpose of this pamphlet is to assist the Equal Employment Opportunity Office (EEOO) and CPO staffs to recognize and accomplish their roles and responsibilities in that effort in the most efficient manner. The guidance presented in the pamphlet is non-regulatory in nature.

A historical and continuing concern about the CA program is the potential for contracting decisions to have disparate impact on minorities and women.

A 1984 HQDA study of experience at several installations with the CA reflected that, while minorities and women were well represented in CA organizations studied, their overall representation in the work force did not decline as a result of contracting decisions. This implies that careful and prudent planning, employee counseling and effective placement and training programs can help to maintain the level of minority and women representation in the work force.

In that regard, this pamphlet provides guidance for the involvement of the EEO Office in all phases of the CA process. It must be understood, however, that there are no specific exceptions to the CA process and procedure pertaining to minorities and women.

1-1. Planning

The CA review and cost study process is a planned sequence of actions which, in some instances, may take several years to accomplish. The objective of the cost study process is to ensure, through competition, that the Army is getting their most productivity for the dollars invested.

The following flow chart (fig 1) lays out in a very general manner the major steps in the review and cost study processes. EEOs and CPOs should make certain that they are involved in the planning from the beginning and not wait to be invited into the process at some advanced step: otherwise, they will be placed in the situation of reacting to decisions made without their input.

To exempt any CA cost study there must be compelling reasons, other than costs, why the particular function must be performed in-house. Any requests for exemption from cost study must be based on one of the following: national defense requirements; delay or disruption of an essential program; best interest of direct patient care; or the lack of a satisfactory commercial source. The approval of the Assistant Secretary of the Army (Installations and Logistics) (ASA (I & L)) is required to exempt an activity from the cost study requirement. Requests for exemption from cost study in the best interest of direct patient care will be coordinated with The Surgeon General and approved by the ASA (I & L). If that approval is not granted, and it is determined that an activity will not be exempted from the cost comparison, it must then be scheduled for a cost study.

The Commercial Activity Proposed Action Summary (CPAS) is developed at the installation level any time a function is identified for a cost study and is forwarded through the major Army command (MACOM) to HQDA. The CPAS provides information required for HQDA assessment of the feasibility of contract performance of an in-house activity. The CPAS is forwarded to HQDA for approval of the cost study and provides information for congressional announcements. Part of the CPAS is a milestone plan which provides estimated dates for accomplishing the various steps in the process. While it is the CA Program Manager's responsibility to develop and coordinate the review schedule and the CPAS, both the EEO and CPO must be involved in milestone planning. The CPO should ensure that adequate personnel office resources will be available to accomplish the various functional area responsibilities, and to make certain that sufficient time is provided to perform the required actions in compliance with other regulatory requirements (e.g., advance notice periods for reduction in force (RIF)). The EEO should ensure that an adequate impact analysis is conducted to determine the effect on minorities and females in the work force. The impact study will be a part of the CPAS.

Unnecessary work force turbulence can be created by implementing sequential reorganizations within the same RIF competitive area. Some of this turbulence can be avoided if the plans provide for decision dates to coincide on various CA undergoing study during the year. Similarly, the likelihood of disproportionate impact on the minority, female, or handicapped employees in the work force at any one time may be reduced by planning which functions are included for cost comparison in given years. The EEO should assist the CA Program Manager in this effort, and work as an intermediary with employee groups and community organizations representing minorities, women, and handicapped individuals to keep them informed of the progress of the CA process and to advise the CA management study team and the commander of the concerns of minorities, women, and handicapped individuals.

[illegible]

(1) THE INHOUSE ESTIMATE SHOULD BE COMPLETED PRIOR TO OR BY THE TIME OF DISTRIBUTION OF THE SOLICITATION

(2) THE USAAA AUDIT SHOULD BE COMPLETED PRIOR TO RECEIPT OF COMMERCIAL OFFERS. USAAA AUDIT ONLY REQUIRED FOR MEO OF 11 OR MORE FTE IN WHICH A FULL COST STUDY WAS CONDUCTED

Figure 1. CA Study Process

Only after HQDA has announced to Congress the plan to study a CA and HQDA clearance has been given, may any of the formal study processes displayed in figure 1 commence. The first actions which usually are initiated concurrently are the management study and the preparation of the performance work statement (PWS). The PWS is the document which describes the work or service to be accomplished by either a government or contractor work force. It quantifies what is to be accomplished and includes the standards for and frequency in which the goods or services are to be provided. It should express expected outputs from the activity, not dictate how it is to be accomplished. The surveillance plan is developed as an adjunct to the PWS. It will be used in the future for quality assurance to evaluate the degree to which the PWS is being met. The PWS, when completed, becomes the core of the solicitation for bids from interested commercial sources, as well as the organization performance standard for in-house performance.

The management study is a comprehensive review by a team of representatives from line management and staff to identify the best way to accomplish the work in-house with a totally civilian work force. The final outcome of the study is the identification of the most efficient organization (MEO) and position structure upon which the in-house cost estimate will be based. The objective of the CA management study process is to develop organizations, position structures, and methods which are so efficient that the in-house method of performance will be more cost efficient than the option to contract. Personnel related costs are a major factor in the cost of in-house operations. Only through significant reduction of these costs can the DA objective of winning in-house be achieved. Experience shows that in-house wins occur when management studies produce MEOs which combine a significant overall reduction in than the number of employees with improved position and grade structure.

The cost estimate is developed following procedures outlined in AR 5-20. it puts a price tag on performance of the function by the most efficient structure and essentially constitutes an "in-house" bid. This important aspect of the cost comparison process is sometimes not fully understood. It is the cost of the MEO (and position structure) which competes with bids received from potential contractors, not the cost of the organization as it is currently configured. The cost comparison also requires an estimation of costs that would be incurred by conversion to contract performance. (Note that a shortened method of cost comparison may be used for functions that employ less than 45 civilians. See AR 5 20 for more detail.)

All cost comparisons having more than 10 full-time equivalent personnel in the MEO except for direct conversions to contract, will be reviewed by U.S. Army Audit Agency (USAAA). Cost comparisons having 10 or fewer full-time equivalents in the MEO will be reviewed by the installation internal review office or another independent activity.

The USAAA audit is made to determine whether: the PWS and the management study were based on the same scope of work and standards of performance; the MEO is based on the work load requirements in the performance work statement; the estimated in-house costs were based on the work load requirements prescribed in the PWS; and the data shown on the cost comparison forms were reasonable and prepared in accordance with OMB, DOD, and DA guidance.

After USAAA has rendered its report on the in-house cost estimate, the estimate, the USAAA report and summarized supporting data are sealed and submitted to the contracting officer where it remains sealed until the outside bids are opened or the best and final commercial offers are obtained through a negotiated process. The estimate must be given to the contracting officer by the required submission date for bids or initial proposals from contractors. At bid opening or after receipt of best and final offers, the costs of the lowest bid from a responsible and responsive bidder are compared with the in-house costs. The bottom line of the cost comparison is arrived at after consideration of one-time conversion costs and the conversion differential (10% of in-house personnel related costs, which include personnel costs, liability insurance, and overhead). This establishes the basis of the initial decision to retain the function in-house or to contract. At this stage in the process, there is an apparent winner and a tentative decision. Only after any appeals of the tentative decision are resolved and a final decision has been announced to Congress by HQDA, may formal action be taken to implement the decision (e.g., issuance of RIF notice, cancellation of solicitation, etc.).

It should be readily apparent that each functional area of the CPO might have to carry out certain actions at one or more stages of the process. To demonstrate what we mean, consider the major steps outlined in figure I following the approval of the CPAS and the announcement to Congress of intent to study a particular activity.

Many employees do not clearly understand the CA process and its objectives. Reviews conducted by the Army demonstrate that employees generally are suspect of the program and are under the misperception that the contracting out of Army functions is the primary objective of the program. They also perceive that not only is there a widespread

failure on the part of command and management to keep employees well informed about the program but that there is lack of a demonstrated concern about the program's impact on individual employees.

To combat these misperceptions and to get employees' active and constructive participation in the process, a clear and constant two-way line of communication between management and employees is a must. This should be a command effort to keep employees fully informed on what is occurring throughout the process, to respond to their questions, and to receive, consider and act on employee input. Where employees are organized by a labor union, communication with the work force must be accomplished in a manner consistent with Federal labor law and Army policy. To assure that this is achieved, whoever is charged with the responsibility for communications with the work force must rely on the ready assistance and advice of the Management and Employee Relations (MER) or Labor Relations representative in CPO. The active involvement of the EEEO in this communications effort is also important.

Training & Development (T&D) activity might start when individuals are identified to conduct the different actions necessary in the process. Unless there is already an experienced cadre available on the installation to conduct the management study and to develop statements of work, there will be priority training required for personnel selected for assignment to the study team. Those training needs and methods of meeting those needs will have to be identified. The need for T&D involvement lasts throughout the study and beyond the decision, regardless of the outcome. Retraining of employees displaced or potentially displaced by RIF, training of Contracting Officer's Representatives (COR) or Quality Assurance Evaluators (QAE), or training employees in new and improved methods and procedures in a reconfigured in-house operation or in new monitoring techniques to insure the PWS and quality level requirements are met in performing in the MEO are all potential training requirements that management, in conjunction with T&D, should be planning to meet.

The outcome of the management study is the most efficient in-house organization upon which in-house cost estimates will be based. The new organization must be able to accomplish the same function as described in the PWS on which potential contractors will bid. Position Management and Classification (PM&C) expertise is absolutely essential to the identification of the MEO, both in terms of position structure improvements and grade accuracy. Staffing specialists also have valuable input in terms of identifying ways to staff positions with other than full-time permanent employees, and thus reduce labor costs.

Other important roles of the staffing specialists will be to keep the organization adequately staffed during the review process, to assist management in implementing the MEO during the study, and to accomplish those actions necessary to implement the final decision, be it in-house or contract.

Should the final outcome of the process result in a decision to have a contractor perform the function, the CPO shall provide the following information to the contracting officer: (1) a list of employees entitled to the right of first refusal with the contractor; (2) information concerning future employment conditions which would result in loss of entitlement by either accepting or rejecting employment with a contractor. The likely candidate for this responsibility would be the Technical Services Officer (TSO) or a staffing specialist. The TSO also needs to assure that official personnel folders and retention registers are current and accurate.

In addition to these specifically CA action related responsibilities, the CPO has the key staff role in helping management carry out the Army policy to effect all reorganizations with a minimum of adverse impact on civilian employees. This responsibility can only be carried out by a coordinated and planned effort in which all elements of the CPO interact cohesively with management and the EEEO to identify, (or create) opportunities for placement or training of employees whose jobs may be eliminated as a result of the CA review process. Neither management in general, nor the CPO specifically, can wait to face this responsibility until a final decision is about to be made. Planning and action implementation must be an integral part of the entire CA process from the beginning.

This is just a thumbnail sketch of some of the responsibilities which both the EEEO and the CPO will be expected to carry out. The point is to suggest that through knowledge of the entire CA process and early involvement in the CA planning effort, both EEEOs and CPOs will be able to anticipate and develop internal plans to meet the demands on their staff's time. The following sections go into more detail on what they should expect to be called upon to perform before, during, and after the study. The identification of certain actions with particular functional areas in the CPO is not intended to restrict the local authority to assign responsibilities elsewhere within the office.

Section II

Position Management and Classification (PM&C)

2-1. Participation in the Management Study

The CA study program provides a unique opportunity to improve an organization's position and grade structure because the study team typically pulls together all the related staff skills needed (e.g., management engineering, manpower, personnel). It is a time when line management motivation should be high for introducing new work technologies and for developing more economical, efficient position structures. The PM&C chief must remain fully informed of cost study and management study schedules and must carefully plan and schedule classifier assignments. Classifiers need to focus their skills in position management and job engineering on developing various structuring alternatives in a cohesive, total managerial review process. Working cooperatively with supervisors and managers and keeping them fully informed of possible position structure improvements will help do that. Maintaining effective relationships with the rest of the study team will assure maximum return on the multi-skilled effort.

2-2. The Classifier's Role and Action

The management study often begins by analyzing the current organization and attempting to identify incremental reductions in the staffing and grade structure of the existing or baseline organization. This approach can succeed in identifying substantial reductions in some cases. Innovations and opportunities for achieving the greatest efficiencies are often lost, however, using this approach.

A preferred approach is one in which the MEO is built in relation to the work load and desired work outputs, not from the baseline organization. A thorough understanding of the work to be accomplished, rather than the baseline organization, is the first step in developing the optimum organization. Starting from such a zero base enables the study group to pursue alternatives which otherwise might not be considered. This approach should not prevent the classifier from taking advantage of prior work and recommendations made for structure improvements in the organization under study.

Organizational structure frequently causes problems in the position structure: for example, excessive layering of supervision or poor supervisor-to-employee ratios. DA Pamphlet 690-8 (Guide to Position Management for Key Military and Civilian Personnel) provides guidance in the application of position analysis, design, and engineering techniques. The classifier should work closely with top managers in the organization and with team members skilled in organization structure. The classifier, in coordination with the management study leader, should arrange for orientation of the supervisors and managers on position management policies and guidelines. This guidance should be communicated as an opportunity for the manager/supervisor to meet his/her needs and interests in improved effectiveness, rather than simply as policy dictates with which management must comply.

The classifier, as a member of the study team, should also get the advice from staffing specialists on the feasibility of filling revised structures, as well as line managers' reactions. It is vital that position management recommendations be geared to the labor market, actual operating requirements, and priorities of the organization. Position management recommendations which ignore them are not only unsound, but destroy the credibility of the classifier. Some classifiers have found it advantageous to secure a formal statement of agreement on specific structure improvements from the appropriate line manager. This would provide a clear record of structure changes agreed to by the team and the manager. Classifier recommendations must be reassessed, if made early in the study, when final determinations are made on the number of positions for the organization. At that time, the supervisory structure should receive his/her final analysis.

Classifiers generally are not trained in the process of developing PWS which describe what, how much, and how well work of the unit must be performed. These matters are a direct responsibility of the line manager. Staff specialists responsible for functional manuals (the "what") and those responsible for work measurement ("how much") have the needed expertise to advise or assist line managers (who know the "how well") in preparing the PWS. The classifier may, however, be consulted by those individuals due to his/ her first-hand knowledge of the organization.

As a participant in the CA process, the classifier must carry out fully her/his role to assure that positions are properly classified, unless this authority has been delegated to managers. Any incorrectly classified positions must be promptly corrected and action processed to completion.

Section III

Labor and Employee Relations

Since the rules concerning the interrelationship of labor relations and CA are based on individual case decisions of the Federal Labor Relations Authority (FLRA) and the Courts, they are often incomplete, confusing, and subject to rapid change. Consequently, this pamphlet should serve only as a starting point when examining questions related to the subject. Additional publications will be issued by HQDA as necessary to provide up-to-date information. Also, an excellent analysis of issues related to this subject is up-to-date in the Office of Personnel Management's Management Guidance Bulletin No. 21, *Performance of Commercial Activities (Revised OMB Circular A-76)*, October 1985.

3-1. Keeping the Union and Employees Informed and Involved

Any CA study is, quite naturally, going to have a high degree of interest among the employees. Nearly all changes in personnel policies or working conditions, even those which may seem relatively benign or minor, may be viewed with suspicion by employees. The CA issue will be perceived as a real threat by those likely to be affected. At most installations, the employees will turn to their exclusive representative—the union—for support and assistance.

OMB and the Army encourage the participation of employees and their recognized labor organizations in the CA cost study process.

Experience has shown that the most realistic, competitive in-house estimates result from management studies in which there is direct involvement of the employees most familiar with the work to be performed. In an organized work force, this kind of involvement requires the participation of the exclusively recognized labor organization.

Accordingly, the Army's policy is to provide labor organizations with as much information as possible regarding CA cost studies. Further, it is usually desirable to encourage the active participation of labor organizations in the study process. Constructive worker participation can be of great help in the preparation of PWS and in the development of the MEO structure to be used in the in-house estimate. In working out agreements on what form union participation will take, it is important to remember that management's objective is worker participation. It might be constructive, for example, to provide for the union to establish a worker-level committee to make recommendations regarding PWS and MEO structures.

While the Army encourages union participation in the CA process, it is not necessary or desirable to include union representatives in purely internal management deliberations regarding CA. Union participation should be carefully structured to allow input while retaining the bilateral character of the labor-management relationship. In other words, labor organizations should be viewed as an important source, but only one of many sources of input to the CA cost study process. The FLRA has held that unions have no right to negotiate procedures which inject them into the internal management decision ranking process with regard to CA.

3-2. Negotiating About CA

Decisions to contract out are nonnegotiable under 5 U.S.C. 7106(a)(2)(B), but procedures for exercising the right to contract out and appropriate arrangements for employees affected are negotiable under 7106(b)(2) and (3). The following subparagraphs discuss the negotiability and advisability of various kinds of union bargaining proposals.

—Substantive Limitations on the Right to Contract Out

Union proposals which seek to place substantive limitations on management's right to contract out (e.g., "activity functions will be contracted out only when the contractor bid is at least 25% less than the cost of in-house performance") have been held nonnegotiable by the FLRA. This is true even if the proposal merely repeats limitations imposed on the agency by external sources such as OMB Circular No. A 76. The rationale for this latter holding is that external limitations may be changed or rescinded during the term of a collective bargaining agreement, but any contractual limitations, if valid to begin with, would live on. However, proposals which require an agency to comply with whatever external limitations are in effect at a given time have been held negotiable (e.g., "the Employer agrees that contracting out decisions will comply with applicable law and regulation").

DOD has taken the position that the holding in the case is incorrect because it would arguably allow arbitrators to decide grievances alleging that the agency failed to comply with laws and regulations governing contracting out.

—Procedures for Conversions to Contract (Implementation Bargaining)

Generally, the procedures which agencies will follow when implementing a contracting decision are negotiable to the extent that proposals concerning them are consistent with applicable laws and regulations. An exception to this general rule is procedures which would provide for union participation in strictly internal management deliberations. Based on

the past experience, unions can be expected to make a wide variety of procedural bargaining proposals regarding the CA program. These include:

- (1) notification requirements;
- (2) union impact (usually in the form of a requirement to consider union views prior to final decision);
- (3) requirements to furnish information.

Though they are generally negotiable, procedural bargaining proposals are often highly undesirable. Activity negotiators, therefore, should be extremely cautious of such proposals and should not agree to complicated, burdensome procedures. Once agreed to, CA cost study procedures in collective bargaining agreements are binding and any failure to comply with them may be used by unions to contest contracting decisions. In most cases, a prudent management bargaining position would be not to include such procedures in the collective bargaining agreement at all, with a fallback position calling for very simple notification procedures. (The fact that it is prudent to avoid contractual obligations to notify and share CA information with unions does not, of course, mean that we should not do these things. The problem with making such actions contractual obligations is that any inadvertent deviations from the agreement can be used in attempts to contest contracting out decisions.)

—Appropriate Arrangements for Employees Adversely Affected by Contracting Decisions (Impact Bargaining)

Proposals in this category may involve a wide variety of measures to ameliorate the effect of decisions to convert to contract on affected employees. Included are proposals on:

- (1) internal placement;
- (2) retraining;
- (3) relocation costs;
- (4) outplacement efforts;
- (5) counseling employees;
- (6) special repromotion consideration;
- (7) RIF procedures.

While appropriate arrangements for employees adversely affected by contracting decisions are generally negotiable, proposals which would interfere with reserved management rights are not. For example, a proposal requiring the agency to provide on-the-job retraining is nonnegotiable because it would interfere with the right to assign work. Similarly, a proposal calling for repromotion as a matter of right would be nonnegotiable because it interferes with the agency's right to select employees.

Further, proposed arrangements which would be contrary to applicable laws or regulations are likewise nonnegotiable. For example, FLRA found nonnegotiable a union proposal to reimburse employees for increased commuting expenses incurred as a result of an agency transfer-of-function because that proposal was inconsistent with Federal law, 5 U.S.C. 5704.

While impact bargaining proposals should be carefully screened for negotiability, many such proposals will be negotiable. Further, many will be reasonable, and consistent with the Army's position as a concerned employer. For example, proposals that the agency provide counseling and placement assistance are negotiable and, if not too costly or unwieldy, usually desirable. Like all bargaining proposals, proposals on the impact and implementation of CA decisions must be evaluated on their own merits. Proposals which are excessively costly, cumbersome, or burdensome should, of course, be avoided.

The Authority has held that, generally, bargaining proposals which would delay the exercise of management rights are negotiable if they do not prevent management from acting at all. In the case of contracting, however, the Federal Acquisition Regulation, 48 CFR 1.000 *et seq.*, requires that decisions to convert to contract be implemented expeditiously once bids or proposals have been solicited. Consequently, union proposals which would delay this process are inconsistent with those regulations and, therefore, nonnegotiable.

—Agreement Language

As previously stated, collective bargaining agreement language can be a source of major difficulties to the CA process. Since the agreement language which has been either proposed or adopted in the field is extremely diverse and voluminous, it cannot be reviewed in this publication. HQDA plans to publish a pamphlet covering nonnegotiable, negotiable but inadvisable, and recommended agreement language pertaining to contracting out. Analyses of some agreement language on this subject are already available in the *Resource Document for Management Negotiators*, HQDA (DAPE-CPL), 14 April 1981 and the *Post Audit Review Index*, HQDA (DAPE CPL), 15 December 1983.

Section IV

Recruitment and Placement (R&P)

4-1. R&P and the Management Study

As mentioned earlier, the management study is that part of the process during which the management team works to identify the most cost effective method of accomplishing the work load in-house. Management may have several alternatives to choose from on how to staff the team; e.g., ad hoc additional duty, full-time detail, temporary or permanent reassignment or promotion, or any combination of these actions may be appropriate in given circumstances. R&P advice on choosing the best option and processing the actions may be required at the very beginning of the process when the team is being established.

The management study is not limited to a review of the organizational structure. Rather, all policies, procedures, and methods should be reviewed with the objective of finding the most economical way of organizing and accomplishing the work. In designing the MEO, one of the areas that should be looked into is whether there are alternatives to an almost exclusive use of full-time permanent employees. Depending on the nature of the work and on whether there are recurring or irregular fluctuations in the work load, alternatives such as temporary, seasonal, or on-call appointments as well as intermittent or part-time work schedules should be considered. Each category of appointment or work schedule mentioned presents the possibility of reducing overall labor costs and should be considered. Each also has certain benefits and limitations which can impact on whether its use in the MEO would be appropriate.

Two important considerations cannot be overlooked when deciding upon the most efficient structure: (1) the availability of people in the particular labor market to fill the positions and work schedules planned, and (2) the restriction for one year on restructuring an organization after an in-house decision. The theoretically most efficient structure is useless if the positions cannot be filled, or if the totally staffed organization is inadequate to accomplish the mission as spelled out in the PWS. Unsuccessful commercial bidders have a legitimate self interest to protect. They frequently watch how the organization performs after an in-house decision to assure that the complete scope of work is accomplished, and that it is accomplished by the civilian work force upon which the in-house costs were estimated.

4-2. Staffing the Organization Undergoing Study

The announcement of plans to study an organization for potential contract performance naturally can reduce employees' sense of job security. Even the best and most open communications system which keeps employees fully informed of and involved in the cost comparison process is not going to dispel all of the uncertainty associated with the study. The bottom line to the individual employee is whether or not he or she will still be employed in the same job after the study is completed. By its very nature, the cost comparison process precludes anyone from answering that question with absolute certainty.

The reduced sense of job security can result in a significant rise in the attrition rate from the organization being studied as employees seek more secure positions elsewhere. Attrition which occurs from positions which would be surplus to a most efficient structure can be beneficial because it makes movement to MEO easier. Many of the losses, however, will have to be replaced since the function performed by the organization must continue to be accomplished until a final decision is reached. Plans should be developed to ensure there will be a sufficient number of employees available to perform the work load. To the extent practicable, it is recommended that replacement actions be done on a temporary basis. The use of temporary replacements can reduce the cost and severity of any RIF which may be required to implement the final decision.

There may be instances where it is not possible to attract personnel with the necessary skills except through the offer of permanent employment. In such rare instances, there is nothing in HQDA CA policy which restricts the commander's authority to use permanent appointments, promotions, or other personnel actions to fill positions in organizations undergoing cost comparison. Commanders should be advised on the inherent drawbacks in adding to the permanent work force or an organization being potential reduction.

4-3. Planning for Reorganization

Reorganization of some son should inevitably result from the cost comparison study and must be planned for, regardless of whether the final decision is to continue in-house performance or to contract out the function. (For guidance on planning for reorganization, see DA Pamphlet 690-4 (A Guide for Conducting Work Force Reductions).)

Management should implement and test the recommended organizational and operational improvements developed in the management study as they are identified. Once the management study is approved by the commander, action should proceed to implement the MEO in order to: (a) get the cost benefits which accrue from more efficient performance, and (b) assure that full performance of the function can be accomplished in the improved configuration. Employees in jobs excess to the MEOs should be moved from those jobs as soon as possible, using whatever personnel processes are

determined to be appropriate. Options include details; reassignments (voluntary and involuntary); voluntary changes to lower grades; training for other lines of work; and, as a last resort, RIF action. Expert advice and assistance from the R&P specialist will be necessary for management to choose appropriate methods and to carry out the personnel actions.

—In-House Decision

If the final decision from the cost comparison study is to retain in-house performance of the function, and if the MEO is not already in place, management must initiate action to implement the MEO fully and permanently. The MEO must be fully implemented not later than six months after the final decision.

The organization and staffing of the MEO will not be altered for at least one year after the final decision, unless HQDA approval is obtained. However, further reorganization may be necessary in the first year if there are significant changes to the functions and work loads in the PWS. When the activity has been reorganized, it will operate under the performance standards in the PWS. The performance standards will be modified when changes in functions or work loads occur after the initial reorganization.

—Contract Decision

If the decision is to convert to contract, and 75 or more civilian employees and military members are affected (jobs contracted), an economic effects analysis must be provided to HQDA with the final decision report. The CPO will have to provide information for this analysis on the numbers of personnel to be released and an average income of people affected.

Persons selected to perform as CORs to accomplish the quality assurance surveillance of contractor performance should be assigned as soon as possible. They should be in place and trained when the contractor operation starts. If they are being placed in these assignments through RIF proceedings, there is nothing to preclude early assignment to these duties on a detail during the notice period.

Whenever a decision is made to contract which will require a RIF projected to result in involuntary separation of permanent employees, activities will set the contract start at a date which allows adequate time for placement and training programs to operate. Depending on specific factors such as the number of permanent employee separations projected to occur and the number which could be avoided if additional time were made available, the contract start date (and the projected RIF effective date) may be set to be a date 120-180 days after the announcement of the final decision. This time would allow management officials to make intensive placement and training efforts in addition to conducting an orderly RIF.

No RIF notices to effect a contract decision can be issued, however, until the installation is advised that a final decision has been reached and that Congress has been notified by HQDA.

4-4. Placement Assistance

There are a number of placement assistance programs administered by the Army, DOD, and OPM which are directed toward finding continued employment or reemployment in the Federal sector for employees affected by RIF actions. In addition to these, installations are expected to provide aggressive and innovative outplacement assistance to till employees facing separation to help them locate jobs with other public or private sector employers. In CA actions, outplacement assistance must include but is not limited to careful and coordinated efforts to make the "right of first refusal" clause work for those eligible employees who are interested in finding employment with the successful contractor.

—Right of First Refusal

Any employees adversely affected by conversion to contract will have the right of first refusal for jobs for which they are qualified and which the contractor is filling. A standard clause is required by the Defense Acquisition Regulation to be included in solicitations for bid which notifies potential contractors of this requirement. This right is accorded all employees affected by the decision, not just those in the function which is contracted. It includes employees "bumped" or displaced by RIF action.

Temporary employees who are terminated as a result of the decision to contract are also entitled to this right. Some activities have been able to use this fact as a recruiting incentive when filling jobs on a temporary basis during the study, using something to the effect "If you accept this temporary appointment now and the function is finally contracted, you would be included in the group who have to get first consideration for jobs with the contractor." Reportedly, it has worked in many instances to encourage well-qualified people to take temporary jobs. It is

recommended, however, that eligible permanent employees be given consideration under the right of first refusal before eligible temporary employees. This can be achieved through mutual understanding and agreement with the contractor.

Past experience shows that the right of first refusal works as a very effective out-placement device. Everyone can benefit from this provision; contractors can quickly acquire a well-qualified work force familiar with the local operation; employees can continue gainful employment in their chosen occupations; and government costs for severance pay can be reduced.

The right of first refusal does not guarantee that all adversely affected employees will receive job offers from the contractor. The contractor, however, has a contractual obligation to make offers of employment to these people before hiring other applicants in positions for which displaced employees can qualify. The contractor must know who is eligible for the right of first refusal in order to carry out this contractual obligation. CPOs will accomplish this by providing to the contracting officer (or directly to the contractor if so arranged by the contracting officer) a list of all employees who are expected to be displaced by the contract decision. This list will be provided at least 45 days before the contract start date. Forty-five days is the minimum regulatory requirement; if it can be accomplished sooner, it should be.

The CPO should provide continuing assistance to the contracting officer (and the contractor, if appropriate) to assure compliance with this provision of the contract. The contractors, however, have the sole responsibility for determining qualifications for employment and their determinations are not subject to a review in Army. Allegations that a contractor is not complying with the right of first refusal clause should be brought to the attention of the contracting officer by the CPO. It is the contracting officer's responsibility to seek resolution.

By design, AR 5-20 establishes minimal procedural requirements or restrictions concerning the right of first refusal. Activities retain a great deal of discretion in deciding upon the procedures which will work best in any given conversion to contract. Whatever procedures are decided upon should be clearly understood by all parties concerned—the contractor; management; the CPO; the EEOO; the contracting officer; eligible employees and their representatives. Clear understanding by all concerned of the timing and the sequence of when certain actions are to occur, as well as the responsibilities of each party in relation to those actions will be necessary to make any procedures work as planned. One way to foster this understanding is to have representatives of all interested parties involved in the development of the plan and procedures for carrying out the right of first refusal.

The following are some examples of questions about the application of discretionary authority where, in some conversions to contract, the lack of prior mutual understanding has presented problems. Who will provide information about contractor jobs and application procedures to eligible employees? When and how? Does the offer of any job by the contractor satisfy the right of first refusal or may an employee decline a lower paying job offer and retain the right to be considered for more comparable jobs that the contractor is filling? Will temporary and permanent employees be given the right of first refusal at the same time, or will the contractor be expected to consider and make offers to all eligible permanent employees before considering eligible temporary employees? Who will serve as the representative and spokesperson for the contractor, the CPO, the EEOO, etc., in resolving questions? How much time will be given to consider a job offer from the contractor? Anticipation and resolution of questions such as these as early in the process as possible will help to make the transition easier for all concerned.

Some activities and contractors have reported problems because employees are eligible to receive and accept both a RIF offer and a contractor job offer through the right of first refusal. There is currently no way to prevent this situation from occurring, nor is it clear that it would be desirable to establish a policy which would exclude employees from either entitlement in order for them to take advantage of the other. Employees who receive job offers from both the contractor and the government should be encouraged, however, to make decisions between the offers and notify both parties of their decision as soon as possible. By doing so, the jobs which they decline can be made available to other adversely affected employees. Tying up both employers until the last possible moment may seem to be a way of venting frustration against a situation beyond the employee's control and can in fact inconvenience management, but the greatest inconvenience and stress is on other employees—not management.

—Outplacement

As mentioned above, the right of first refusal can be an effective outplacement device, but it cannot be relied upon as the sole effort to take care of all adversely affected employees, especially in large CA conversions. For any number of legitimate reasons, some employees will not be able to receive or accept jobs with the contractor. Additional employee assistance efforts should be expended on their behalf, and could include such action as: setting up active onsite outplacement centers equipped with telephones, typewriters, and copying machines; providing employment, retirement, and financial counseling; contacting other Federal, state, or private sector employers to arrange for onsite

interviews: allowing administrative leave to conduct interviews with potential employers; providing outside employers with dedicated interviewing space; and other actions locally determined.

Although the CPO will be expected to provide leadership in carrying out much of the responsibility for any outplacement efforts, no office in the CPO nor the CPO as a whole—should attempt to accomplish all the necessary actions on its own. For example, this is an area in which the community contacts made as part of the regular responsibilities of the EEOO and Public Affairs Office as well as other installation staff and line officials can be invaluable in locating and tapping potential placement opportunities in the local economy. Experience, both in and outside the Federal sector, shows that management involvement and support coupled with active employee participation are necessary ingredients for effective outplacement programs.

—Retirement Considerations

One way to reduce the number of involuntary separations of permanent employees in a RIF is to provide as many options as possible for voluntary actions on the part of affected employees. This could include seeking authority from OPM to grant early optional retirement to employees in affected series and grades if the action meets the criteria to constitute a major RIF. OPM criteria and instructions on submitting requests are found in appendix E to Federal Personnel Manual (FPM) chapter 351 and in FPM Letters in the 351 series. Such requests for special authority to offer voluntary early retirement must be submitted through command channels to HQDA (PECC-CSS).

The number of employees who are, or might be, eligible for discontinued service retirement should be considered. These are employees who occupy the specific jobs which are to be abolished as a result of the contracting decision and meet the age and service requirements for early retirement. Even when an action meets the criteria to warrant submission of an early optional retirement request, but especially when the overall action does not meet the thresholds established by OPM, the discontinued service option should not be overlooked as a preferable alternative.

Once the final decision is made to contract the function, but before RIF notices are issued, employees who occupy those abolished positions may be notified in writing that their jobs have been identified to be abolished and the specific date by which the position abolishment is to be effected. Based on that notification, an eligible employee may submit a resignation and apply for discontinued service retirement. An employee may become ineligible to retire if he or she waits until RIF procedures are implemented, since a reasonable job offer (as defined in 5 CFR 831.504) may be made in compliance with RIF procedures. Once such an offer is made, the employee loses eligibility for an immediate annuity under the discontinued service option.

Any activity planning to exercise this alternative should make certain that employees fully understand their options and provide them as much time as possible to make informed decisions. Some activities have accomplished this by providing all potentially eligible employees information in advance of the final decision about the retirement option, how it works, what the employee obligations will be, what the employee annuity would be if the option was exercised, and how much (or little) time the employee may have in which to make a decision once the final approval to proceed with the contracting decision is received at the installation. It must also be made clear to employees that the decision is theirs to make and that there is no management coercion involved in their action.

—Other Actions

Activities may consider offering separated permanent employees reemployment in an overhire status on temporary appointment (not to exceed 6 months) after a RIF has been effected and all actions have been taken. This may be done if immediate placement is not available under RIF but vacancies are projected to occur within a short period of time, or if there are employees who are not fully qualified for available jobs in different lines of work but would qualify through additional training. The number of employees offered such opportunities must be limited to the number who can be expected to be placed in continuing authorized jobs before expiration of their temporary appointments. Waivers of qualification requirements are encouraged, where feasible. During this period of temporary reemployment, employees must be provided relevant and meaningful training coupled with productive and necessary work.

Installations must make every effort to provide manpower and funding to support this effort. Manpower and dollar savings generated from early implementation of MEOs combined with the savings from contract decisions may be used for this purpose. MACOM support will be requested if necessary. If resources are unavailable from within total MACOM allocations and if the MACOM is convinced that there is sufficient reason to believe that placement is likely, then the MACOM may request manpower and/or funding support from HQDA. Such requests must be initiated at least 90 days before projected effective date of the RIF and be forwarded to HQDA (DAPE-MBA), Washington, D.C. 20310-0300. The request must show all actions which have been taken and will only be considered if it includes a well documented placement plan for the covered employees. It must also show that resources are not available within the

MACOM.

—Outplacement of Severely Disabled Employees

The process of implementing contracting decisions may have a much more serious effect on severely disabled persons and disabled veterans. A potentially serious problem in placement of disabled persons can result if the CPO and EEOO are not prepared to deal effectively with this challenge by providing support and assistance to severely disabled employees who are being terminated due to the contracting decision. Early identification will help provide support and assistance to severely disabled employees who are affected by CA reviews. The actions listed are not all inclusive, and any local resources should also be utilized.

This effort is a meaningful part of the affirmative action policy for handicapped persons. Rather than special treatment, these actions acknowledge the serious barriers faced by disabled employees as they seek other employment. Faced with limited job seeking and vocational skills, some displaced employees will require help and support if they are to regain employment.

The following are recommended activities for providing counsel and support to disabled employees affected by CA reviews:

(1) It will be absolutely necessary to obtain a signed release to authorize the disclosure of various information pertaining to the employee which cannot normally be disclosed. The discussion of information such as the nature of a disability, the individual's work history or attendance records, and the nature of any reasonable accommodations made in the workplace are all examples of information which should be available to prospective employers or supporting agencies, either public or private, but are covered under the Privacy Act. A sample format for a release is at figure 2.

(2) Because much of the information attending the termination of employees can be confusing, parents, or guardians may be contacted if there is a question of the individual's ability to comprehend information concerning rights and benefits. The individual's supervisor or EEOO may also be consulted for guidance in this area.

(3) The prospect of losing a job is traumatic to anyone, but to an individual with retarded ability and/or social skills, the news can be potentially devastating. A member of the staff should meet on an individual basis with a mentally retarded person to explain the reasons for the termination; namely, that it is not related to individual performance, that his or her contribution to the agency has been a significant one, and that he or she will be assisted in attempting to find another job or in finding an agency that can assist. For many severely disabled persons, a job is more than a means of livelihood; it represents a significant achievement and a declaration of personal independence along with attainment of a measure of self-sufficiency. For these reasons, this sort of supportive counsel is vital.

(4) Contact should be made with the contractor to provide the necessary information as to an employee's disability, the sort of supervision necessary, and any particular accommodations that may have been necessary for the employee. Former supervisors can be of great help in this respect. Remember that for many contractors, experience with disabled persons, particularly mentally retarded persons, may be limited or non-existent and may create unnecessary concern or hesitation of hiring.

(5) Local resources, particularly the State Vocational Rehabilitation Agency and private voluntary agencies, can be of significant value in exploring other employment for the employee. Judgement must be used in identifying resources to assure the appropriateness of the service offered by the agency in question. For example, a referral to an affiliate of the National Association for Retarded Citizens will fill the needs of many mentally retarded persons. Once this contact has been established, you should follow up periodically to ascertain any progress or problems. Even when the contractor has hired, or committed to hire an employee, such organizations can help to ease the transition to the new employer. Other Federal agencies, the Post Office and state and local governments should also be contacted regarding available openings.

(6) Should a contractor refuse to employ a disabled employee on what might be discriminatory bases, the contracting officer should be notified. Referral of the employee to the local office of the Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, may also be indicated. OFCCP is responsible for the enforcement of Section 503 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination by Federal contractors on the basis of handicap.

Authorization for Release of Information

In order to allow employees of the Department of the Army to assist me in obtaining employment, I authorize the release of information related to my employment, such as the nature of my disability, the reasonable accommodations made for me in the workplace, and performance evaluations.

I further authorize the release of relevant information to public and private agencies providing services to disabled persons for the purpose of seeking employment.

I understand that no promise of employment is made, but that an effort will be made to assist me where possible.

Date

Employee Signature

Print Name

Figure 2. Sample Authorization for Release of Information

Section V

Training and Development (T&D)

5-1. Training Cost Study Participants

A key factor in assuring that the CA program is properly managed and implemented is effective and timely training of those employees involved in all of the cost study processes of the program. In order for the T&D staff to assist in identifying and providing necessary training for those involved, they must understand the various processes in the CA cost study, such as making cost estimates, preparing PWSs, contract surveillance and associated management actions.

During the planning phase of a CA cost study, management should estimate the number of employees who will be needed to perform contract administration and quality assurance evaluation functions. Upon identifying and selecting employees to perform these functions, their need for specific training should be identified by management in coordination with the T&D staff.

At the point when management determines that a cost study will be initiated, that T&D staff should help management identify appropriate sources of training for those individuals who will actually conduct the study. Various DA and DOD schools should be contacted to determine if there are existing courses that will meet identified needs. The Army Logistics Management Center (ALMC), for example, conducts several courses specifically designed to support the CA program. Some of these can be conducted onsite by ALMC, if scheduled in sufficient time. If such courses are not readily available, it may be necessary to develop the training locally.

PWS will be prepared for all CA cost studies. Since use of PWSs is a unique requirement, individuals responsible for their preparation must be trained to ensure that these statements accurately reflect all activities identified for contracting out. As stated above, if other training offerings are not available, it may be necessary to develop such training locally.

5-2. Training for Contract Surveillance

The involvement of the T&D staff does not end when a contract is approved. Individuals responsible for contract surveillance, such as CORs and QAEs must be fully trained to carry out their duties. While the T&D staff is not responsible for developing training course content for any phase of the CA cost study, they should become familiar with the total CA program requirements and processes in order to provide necessary assistance to management in meeting all essential training needs. Individuals responsible for contract surveillance may need training in techniques for detection and elimination of fraud, waste, and abuse. The T&D staff should coordinate with managers and training sources to assure that this need is adequately addressed.

5-3. Retraining Surplus Employees

As stated earlier, Army policy is to effect all reorganizations with a minimum of adverse impact on individual permanent employees. The achievement of this policy objective calls for every reasonable effort to be made to avoid involuntary separation of permanent employees. A required and key facet of these efforts is the development of a coordinated training and retraining plan covering the maximum reasonable number of employees who will be surplus to either the MEO or to the organization which will exist after conversion to contract.

The law governing civilian training authorizes agencies to train employees to perform "official duties," which are defined as duties currently being performed or those that the employee can reasonably be expected to perform in the future. Army training regulation (AR 690-400, chap 410) provides broad flexibility to activity commanders in the area of training but neither the law nor Army policy supports the idea of training for its own sake. All retraining efforts must be directed toward realistic placement expectations for the employees who enter the training.

Retraining can be appropriate for placement projected in existing vacancies or for occupations in which vacancies are projected to occur within a reasonable period of time. Placement may be projected at the current installation, other Army installations, or in other Federal agencies. (Placement plans involving other Federal agencies require coordination with OPM.) The jobs or occupations for which training will be provided should be identified by a process which includes analysis of: projected employee turnover; projected increases or decreases in mission and work load; other known or projected organizational changes; and any other factors which will impact on the future needs for particular skills in the work force. Planning, therefore, should involve not only specialists from each of the functions in the CPO, but also line management and representatives of offices responsible for manpower and resource management, and the EEOO.

The projected assignment for which employees will be trained normally should be in an occupation somewhat related to their current assignment or in an occupation for which there is a reasonable expectation that the employee can complete the training successfully. This expectation should be supported by some analysis of the relationship of the

knowledge, skills, and abilities (KSA) required for success in the target job to the demonstrated KSAs and interests of the employees being considered. It is essential that employees who are being considered for retraining be fully informed of the duties and obligations that they will incur if they enter the program. Any unique provisions or requirements in the plan (e.g., extended Temporary Duty for training or geographic move for assignment), should also be spelled out in advance. Before employees enter the program, they should be required (via training agreements) to make a personal commitment to participate fully in the training provided, to make every effort to develop the new skills and abilities required in the occupation for which they are being trained and to accept assignment consistent with the training plan. To be most effective, actual training should begin as early in the CA management study as possible.

Section VI

Technical Services

6-1. Severance Pay—Monitoring Entitlements

The following is guidance to preclude overpayments of severance pay when an employee's entitlement to such payments ends. The conditions for which severance pay must be terminated are contained in 5 CFR 550.701(b)(5), (6), and (7) and in 5 U.S.C., 5595(d).

There are some unique severance pay provisions which apply to RIF separations caused by CA actions.

(1) Otherwise eligible employees who accept employment with the contractor within 90 days of separation are not entitled to severance pay beyond the date they go to work for the contractor. This restriction applies regardless of the comparability of the position they accept to their former government position.

(2) Employees who are offered comparable employment by the contractor on or before the date of the transfer of the employee's function to the contractor are not entitled to severance pay, whether they accept or refuse the offer. An offer of comparable employment made after the date of transfer may be declined without affecting severance pay eligibility.

Comparable employment is not limited to an offer of a job with equal pay. It must include the offer of substantially equal leave, health, life insurance, and retirement benefits. Army experience has been that in almost all instances where the contractor makes an employment offer, the offer does not constitute comparable employment. Installations will not deny severance pay on the basis of comparable job offers without HQDA approval. Where a question exists on the comparability of the offer, all pertinent information will be submitted as soon as possible through channels to HQDA (PECC-FSO), Alexandria, VA 22332-0300 for a determination.

Although employees are responsible for the repayment of any severance pay over payments occurring as the result of failure to terminate such payments when entitlement to them ends, the responsibility for informing the paying agency when hiring an individual in receipt of severance pay is vested in CPOs. In order to eliminate overpayments of severance pay, CPOs who hire an employee in receipt of severance pay will immediately notify the paying agency of the hire. The notification should be by telephone and confirmed at a later date by providing the pay agency with a copy of the pick-up (appointment) SF 50 (Notification of Personnel Action).

When an in-house activity is converted to contract, the CPO will supply the contracting officer, within three workdays of the contract start date, a listing of separated employees who are entitled to receive severance pay. The contractor will be required by terms of the contract to provide the names of former employees on the list who accept positions with the contractor during the 90 days following the conversion to contractor performance. This notification is to occur within five days of when the individual goes to work for the contractor. CPOs should ensure that employees entitled to receive severance pay are advised, at the time of separation, that it is in their best interest to notify the paying agency of any reemployment that might affect their entitlement.

6-2. Estimating Labor Costs

The completion of the cost comparison formats which document costs of performing the function with an in-house work force should normally be accomplished by financial management personnel familiar with cost accounting techniques. The CPO will be expected to provide advice and assistance in arriving at labor costs. Mock RIFs run early in the study have been shown to have almost no reliability in accurately forecasting costs, and their use is not encouraged for this purpose.

A standard cost factor has been developed by OMB for estimating severance pay (see AR 5-20). In some instances, however, more exact cost estimates may be developed based upon unique characteristics of the work force or historical data peculiar to the installation. For example, the average age and length of service method of arriving at severance pay could result in a distorted estimate (to the low side) if a large part of the work force projected for actual separation was over the age of 40 and/or had over 10 years of service. Alternative methods of estimating labor costs must be fully documented and approved by HQDA. There are certain other OMB required standard cost factors (e.g., estimates of

fringe benefit costs) from which DOD or activities have no authority to deviate. The individual on the CA team who has the financial management expertise and who is responsible for completion of the form will be able to identify areas of discretion.

Section VII

Equal Employment Opportunity Office (EEOO)

7-1. EEO Participation in the Training Process

EEOO staff should be involved in the development of training for participants of the cost study. This is to assure that study participants are aware of the Army's affirmative action objectives and the need to consider alternative actions which will lessen the disproportionate impact on minority, women, or handicapped employees.

7-2. EEO Participation in the Management Study

The EEOO should be involved and provide input to the CA review and cost study from the beginning of the process. The EEOO will assure that accurate data on minority, women, and handicapped individuals in the work force by grade and organizational structure are available and used in determining ways to meet the goals of the CA program with the least negative impact on the installation's affirmative action program.

7-3. Information to Employees and the Community

The EEOO should assist the CA Program Manager to keep employee groups and community organizations representing minorities, women, and handicapped individuals informed of the progress of the CA process and to keep the CA management study team and the commander advised of the concerns of these groups. The EEOO should keep the Special Emphasis Managers and the EEO counselors informed regarding the process in order that they may communicate the facts and, hopefully, lessen the potential for complaints.

7-4. Assisting Affected Employees

The EEO should work with the R&P and T&D Offices in finding continued employment for affected employees by detail, reassignment, voluntary changes to lower grades, or training for other lines of work. When, as a last resort, RIF becomes the only option, the EEOO should monitor outplacement efforts and assist in those efforts, as appropriate.

7-5. Maintenance of Data

Throughout the CA process, the EEOO should work with the CA Program Manager to assure that accurate data are gathered and maintained to reflect the relative impact on minorities, women, and handicapped individuals at each stage of the process.

Section VIII

Summary

This brief pamphlet is not intended to be an all inclusive identification of actions which the CPO and EEEO may have to accomplish during a CA review. Nor is it intended to prescribe how these individuals accomplish their responsibilities. Some CPOs have found it to work better to have civilian personnel functional specialists assigned full time to the management study team. Others accomplish their responsibilities through ad hoc participation by those specialists who normally provide CPO service to the organization being studied.

The main intent of this publication is to call attention to the fact that the CPO, each of the functional areas in the CPO, and the EEEO have an important role in the CA review process. The extent of participation by specific function might well vary from installation to installation or from study to study. Every study, however, will require some degree of active participation by the CPO and EEEO. The quality and timeliness of that participation may have a significant impact on the organization's ability to continue to perform its mission during the study; the final outcome of the review process; and the transition into the mode of operation determined by the cost comparison.

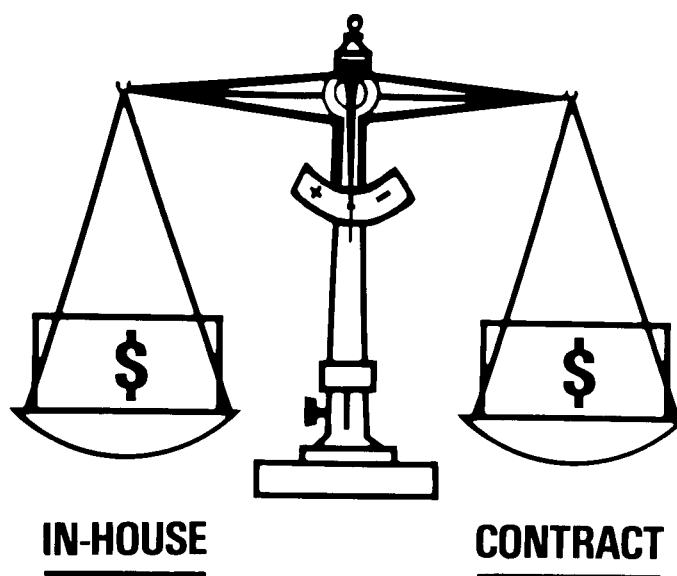


Figure 3. Informational Graphic

Glossary

Section I Abbreviations

ASA(I&L)

Assistant Secretary of the Army (Installations & Logistics)

CA

Commercial Activities

CPAS

Commercial Activities Proposed Action Summary

CPO

Civilian Personnel Office(r)

DOD

Department of Defense

EEOO

Equal Employment Opportunity Office(r)

FLRA

Federal Labor Relations Authority

FPM

Federal Personnel Manual

FTE

Full Time Equivalent

MACOM

Major Army Command

MEO

Most Efficient Organization

MER

Management Employee Relations

OMB

Office of Management and Budget

OPM

Office of Personnel Management

PM&C

Position Management and Classification

PWS

Performance Work Statement(s)

QAE

Quality Assurance Evaluator

R&P

Recruitment and Placement

RIF

Reduction in Force

T&D

Training and Development

TSO

Technical Services Office

USAAA

U.S. Army Audit Agency

USC

U.S. Code

Section II**Terms**

This section contains no entries.

Section III**Special Abbreviations and Terms**

This section contains no entries.

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